

UTILITY UNDERGROUNDING FEE DEFERRAL PROGRAM

Submission Guidelines

- 1) Obtain a reliable utility undergrounding fee estimate from the Department of Public Works.
 - a) Loan requests up to \$50,000 may be processed administratively.
 - b) If the loan request is more than \$50,000, City Council approval will be required. (Plan four weeks for this step.)
- 2) Eligibility information required from applicant.
 - a) New employees to be hired because of new/additional facilities.
 - b) Estimated sales (increase) resulting from the new/additional facilities.
 - c) Anticipated level of occupancy (for hotels)
 - d) The value of the improvements, or
 - e) Other as requested.
- 3) Ownership verification required.
 - a) Recent title report
 - b) Recent property appraisal
 - c) Articles of Incorporation
 - d) Bylaws
 - e) Partnership Agreement
 - f) Other as applicable
- 4) The City will require one or more of the following types of security for the loan. Applicant may indicate a preference.
 - a) A deposit of money with a responsible escrow or trust company, bank or the local agency.
 - b) An instrument or letter of credit from one or more financial institutions regulated by the state or federal government, pledging the necessary funds and guaranteeing payment.
 - c) A note, secured by a deed of trust in real property where the existing loan-to-value does not exceed 85%. (A personal guaranty may also be required with this form of security.)

All program participants will be required to enter into an agreement with the City of Morgan Hill.

The City Manager may impose other conditions to minimize risk to the City, and shall reject any deferral/loan where there is inadequate security or the potential for payback appears to be in jeopardy.

The City Manager shall suspend this program when he determines that the utility undergrounding fund is negatively affected by its continuation.